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**Programme budget for the biennium 2006-2007**

# First performance report on the programme budget for the biennium 2006-2007

## Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the first performance report of the Secretary-General on the programme budget for the biennium 2006-2007 (A/61/593). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. The first performance report on the programme budget for the biennium 2006-2007 reflects adjustments required owing to variations in the rates of inflation and exchange and in standards assumed in the calculation of the initial appropriations. The report also takes into account the additional mandates that the General Assembly and the Security Council have approved since the appropriation of the programme budget, unforeseen and extraordinary items that could not be deferred to the second year of the biennium and decisions of policymaking organs that, in the view of the Secretary-General, are best dealt with in the context of the first performance report. **The Advisory Committee welcomes the quality of the report, which provides adequate technical information and analysis.**

3. The Advisory Committee notes that the content of the performance report under consideration adheres to the Committee's earlier recommendation that the performance report to be submitted in the first year of the biennium should be confined solely to the necessary impact of inflation, variation in rates of exchange and decisions of policymaking organs the implementation of which cannot be deferred to the following biennium.[1] This recommendation was subsequently endorsed by the General Assembly in its resolution 32/212. **The Committee notes that the performance report includes resources for a proposed reclassification.**

[1] See *Official Records of the General Assembly, Thirty-second Session, Supplement No. 8* (A/32/8), para. 14.

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**The Committee trusts that the Secretariat will limit the first performance report to the parameters referred to above as endorsed by the Assembly.**

4. The revised requirements under the expenditure sections amount to $3,911.2 million, an increase of $81.2 million, or 2.1 per cent, over the appropriation level of $3,829.9 million approved by the end of July 2006 as a result of various resolutions of the General Assembly during the course of its resumed sixtieth session. The revised income estimates for the biennium amount to $463.7 million, an increase of $28.9 million, or 6.6 per cent, over the initial estimate of $434.9 million. Consequently, revised net requirements amount to $3,447.4 million, an increase of $52.4 million, or 1.5 per cent, over the appropriated net requirements of $3,395.0 million (see resolutions 60/247 A, 60/281 and 60/283).

5. The Advisory Committee was informed that additional requirements for the biennium 2006-2007 not included in the first performance report would amount to some $302.1 million for requests contained in revised estimates and statements of programme budget implications submitted in response to draft resolutions considered by the Main Committees. If approved, this would bring the total revised requirements for the biennium 2006-2007 to $4,213,271,500 (see annex I).

6. Upon enquiry, the Committee was informed of the status of the contingency fund for the biennium 2006-2007 (see annex II). The level of the contingency fund was approved by the General Assembly in its resolution 59/278 in the amount of $27.2 million. The balance of the fund after the main part of the sixtieth session was $5.0 million, and it was $0.6 million after the resumed sixtieth session. The Committee was informed that no proposals are being considered by the General Assembly at its current session that would be charged to the contingency fund.

7. As can be seen from the table in paragraph 5 of the performance report, the increase of $81,246,800 in expenditures reflects the impact of the following:

(a) Additional requirements of $4,966,400 under unforeseen and extraordinary expenses in respect of peace and security, the International Court of Justice and inter-organizational security measures in accordance with General Assembly resolution 60/249;

(b) Additional requirements of $9,582,000 resulting from decisions of policymaking organs;

(c) Additional requirements of $55,135,800 resulting from changes in exchange rates;

(d) Additional requirements of $18,738,100 due to changes in inflationary assumptions;

(e) Reduced requirements of $7,210,600 due to adjustments to standard salary costs;

(f) Additional requirements of $35,100 related to the reclassification of the post of Chief of the Procurement Service to the D-2 level.

8. The Advisory Committee notes that no adjustment for vacancy rates has been made in the performance report. As indicated in paragraph 27 of the report, while vacancy rates realized as at the date of the preparation of the report exceeded those budgeted, there is a steady downward trend in vacancy rates for both Professional and General Service posts: during the period from January to September 2006,

Professional vacancy rates decreased from 7.6 per cent to 6.1 per cent, and General Service vacancy rates declined from 3.9 per cent to 3.4 per cent. The Secretary-General indicates that should this downward trend materialize, overall realized vacancy rates for the biennium may prove to be below those budgeted. The Committee was provided with vacancy statistics for authorized posts under the regular budget as at 31 October 2006 (see annex III).

9. In paragraph 29 of his report, the Secretary-General deals with the proposed reclassification of the post of Chief of the Procurement Service from D-1 to D-2. The intention to reclassify that post to the D-2 level, with the related amounts to be included in the first performance report, was reported by the Secretary-General in A/60/846/Add.5, paragraph 99. It was stated that the reclassification was necessary to provide the appropriate level of executive direction and management, and that, given the high volume, value and complexity of current procurement activities, the position demanded the management expertise and direction of a Director at the D-2 level. The Advisory Committee was informed that the functions of the post had been classified at the D-2 level by the Office of Human Resources Management. The Committee points out, however, that the General Assembly has not yet endorsed the proposed reclassification.

10. The Advisory Committee recalls that the Secretary-General was authorized, on an experimental basis, a limited discretion for budgetary implementation for the bienniums 2006-2007 and 2008-2009, to enter into commitments up to $20 million in each biennium for positions and non-post requirements for the purpose of meeting the evolving needs of the Organization in attaining its mandated programmes and activities (see resolution 60/283, section III, para. 6). As indicated in paragraph 39 of the first performance report, since the granting of such authorization by the General Assembly in July 2006, no commitments have been made in the context of the experiment at this stage, as the Secretariat is working on establishing criteria for defining evolving needs consistent with the principles set out in resolution 60/283. The Secretary-General indicates that further information related to the implementation of the authorization will be reported in the second performance report for the current biennium. **The Committee trusts that criteria for funding the evolving needs of the Organization will be worked out so as to ensure that the mechanism for financing such needs can be put in place during the biennium 2006-2007.**

11. **The Advisory Committee recommends that the General Assembly approve the revised estimates contained in the Secretary-General's report, subject to such adjustments as may be necessary as a result of its consideration of matters now before it, including the consolidated statement of revised estimates and programme budget implications (see para. 5 above).**

# Annex I

## Preliminary estimated regular budget appropriation for the biennium 2006-2007 as at 13 December 2006

(Thousands of United States dollars)

| | |
|---|---|
| *Appropriation* | |
| Initial appropriation (resolution 60/247 A) | 3 798 912.5 |
| Additional appropriation (resolution 60/281) | 26 443.3 |
| Additional appropriation (resolution 60/283) | 4 560.4 |
| **Subtotal** | **3 829 916.2** |
| *First performance report* (A/61/593) | |
| (a) Unforeseen and extraordinary expenses | 4 966.4 |
| (b) Decisions of policymaking organs | 9 582.0 |
| (c) Exchange rates | 55 135.8 |
| (d) Inflation assumptions | 18 738.1 |
| (e) Other standards | (7 210.6) |
| (f) Reclassification of the post of Chief of the Procurement Service | 35.1 |
| | **81 246.8** |
| *Revised estimate* | |
| Special political missions (A/61/525 and Add.1-5) | 294 005.1[a] |
| Investing in people (A/61/255, A/61/537) | 5 004.7[b] |
| | **299 009.8** |
| *Programme budget implications* | |
| Establishment of the United Nations Register of Damage (A/C.5/61/13, A/61/614) | 3 098.7 |
| | **3 098.7** |
| **Total** | **4 213 271.5** |

[a] Includes programme budget implications of the draft resolution on the situation of human rights in Myanmar.

[b] Includes reductions recommended by the Advisory Committee on Administrative and Budgetary Questions.

# Annex II

## Level of the contingency fund for the biennium 2006-2007

(Thousands of United States dollars)

| | |
|---|---|
| **Amount approved by the General Assembly in resolution 59/278** | **27 200.0** |
| **Charges approved at the main part of the sixtieth session** | |
| A strengthened and revitalized General Assembly (A/59/L.69/Rev.1, A/59/910, A/C.5/59/35/Rev.1) | 823.3 |
| Holocaust remembrance (A/60/526, A/60/7/Add.6) | 345.2 |
| Revised estimates for the administration of justice at the United Nations (A/60/303, A/60/7/Add.1) | 869.8 |
| Construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (A/60/532, A/60/7/Add.21) | 3 671.5 |
| Convention on the Elimination of All Forms of Discrimination against Women (A/C.5/60/12, A/60/7/Add.15) | 9 519.3 |
| Transparency in armaments (A/C.5/60/14, A/60/7/Add.19) | 1 029.5 |
| Rights of the child (A/C.5/60/15, A/60/7/Add.18) | 3 347.8 |
| Future operation of the International Research and Training Institute for the Advancement of Women (A/C.5/60/16, A/60/7/Add.20) | 1 042.2 |
| Administrative and financial implications arising from the report of the Standing Committee of the United Nations Joint Staff Pension Board (A/C.5/60/18, A/60/7/Add.22 and Corr.1) | 1 079.0 |
| The Rwanda Genocide and the United Nations (A/C.5/60/20) | 196.2 |
| Ad Hoc Committee on a Comprehensive and Integral International Convention on the Protection and Promotion of the Rights and Dignity of Persons with Disabilities (A/C.5/60/21, A/60/7/Add.27) | 111.4 |
| Third United Nations Conference on the Least Developed Countries: high-level meeting on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/C.5/60/24, A/60/7/Add.29) | 223.2 |
| Financial viability of the United Nations Institute for Training and Research (A/60/360, A/60/7/Add.4) | 242.4 |
| Proposed post reclassification from D-1 to D-2 under subprogramme 2 of section 26, Humanitarian assistance (A/C.5/60/13) | 35.6 |
| Recosting of revised estimates and programme budget implications | 387.4 |
| Conference-servicing absorption | (689.8) |
| **Subtotal** | **22 234.0** |
| **Balance after the main part of the sixtieth session** | **4 966.0** |

| | |
|---|---|
| **Charges approved at the resumed sixtieth session** | |
| Human Rights Council (A/C.5/60/28, A/60/7/Add.34) | 4 328.7 |
| **Balance after the resumed sixtieth session** | **637.3** |
| **Sixty-first session proposals[a]** | |

[a] Subject to decisions of the General Assembly, no proposals under current consideration by the Assembly at the main part of its sixtieth session would be charged to the contingency fund. Proposals for investing in people (A/61/255), after reductions recommended by the Advisory Committee on Administrative and Budgetary Questions, amount to $4,893,700 net of staff assessment, and subject to a decision of the Assembly, would be appropriated outside the contingency fund.

# Annex III

## Vacancy statistics for authorized posts under the regular budget, by section, as at 31 October 2006

| Budget section | | Professional | | | General Service | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Authorized | Vacant | Rate (percentage) | Authorized | Vacant | Rate (percentage) | Authorized | Vacant | Rate (percentage) |
| 1 | Overall policymaking, direction and coordination | 81 | 7 | 8.6 | 85 | 2 | 2.4 | 166 | 9 | 5.4 |
| 2 | General Assembly and Economic and Social Council affairs and conference management | 962 | 50 | 5.2 | 937 | 23 | 2.5 | 1 899 | 73 | 3.8 |
| 3 | Political affairs | 152 | 15 | 9.9 | 124 | 4 | 3.2 | 276 | 19 | 6.9 |
| 4 | Disarmament | 36 | 3 | 8.3 | 19 | - | - | 55 | 3 | 5.5 |
| 5 | Peacekeeping operations | 52 | 4 | 7.7 | 329 | 19 | 5.8 | 381 | 23 | 6.0 |
| 6 | Peaceful uses of outer space | 15 | 2 | 13.3 | 5 | - | - | 20 | 2 | 10.0 |
| 7 | International Court of Justice | 47 | 8 | 17.0 | 53 | 2 | 3.8 | 100 | 10 | 10.0 |
| 8 | Legal affairs | 83 | 4 | 4.8 | 59 | - | - | 142 | 4 | 2.8 |
| 9 | Economic and social affairs | 320 | 17 | 5.3 | 222 | 6 | 2.7 | 542 | 23 | 4.2 |
| 10 | Least developed countries, landlocked developing countries and small island developing States | 11 | 2 | 18.2 | 4 | - | - | 15 | 2 | 13.3 |
| 11 | United Nations support for the New Partnership for Africa's Development | 21 | 3 | 14.3 | 11 | 1 | 9.1 | 32 | 4 | 12.5 |
| 12 | Trade and development | 230 | 1 | 0.4 | 160 | 1 | 0.6 | 390 | 2 | 0.5 |
| 14 | Environment | 30 | 2 | 6.7 | 17 | 1 | 5.9 | 47 | 3 | 6.4 |
| 15 | Human settlements | 49 | 5 | 10.2 | 25 | - | - | 74 | 5 | 6.8 |
| 16 | International drug control, crime prevention and criminal justice | 77 | - | - | 32 | - | - | 109 | - | - |
| 17 | Economic and social development in Africa | 222 | 18 | 8.1 | 304 | - | - | 526 | 18 | 3.4 |
| 18 | Economic and social development in Asia and the Pacific | 183 | 9 | 4.9 | 246 | 9 | 3.7 | 429 | 18 | 4.2 |
| 19 | Economic development in Europe | 119 | - | - | 76 | 1 | 1.3 | 195 | 1 | 0.5 |
| 20 | Economic and social development in Latin America and the Caribbean | 199 | 9 | 4.5 | 277 | 9 | 3.2 | 476 | 18 | 3.8 |
| 21 | Economic and social development in Western Asia | 110 | 10 | 9.1 | 145 | 1 | 0.7 | 255 | 11 | 4.3 |
| 23 | Human rights | 200 | 54 | 27.0 | 70 | 15 | 21.4 | 270 | 69 | 25.6 |
| 24 | Protection of and assistance to refugees | 2 | - | - | - | - | - | 2 | - | - |
| 25 | Palestine refugees | 102 | 1 | 1.0 | 11 | - | - | 113 | 1 | 0.9 |
| 26 | Humanitarian assistance | 49 | 1 | 2.0 | 17 | - | - | 66 | 1 | 1.5 |
| 27 | Public information | 285 | 11 | 3.9 | 463 | 22 | 4.8 | 748 | 33 | 4.4 |
| 28 | Management and support services | 392 | 20 | 5.1 | 905 | 32 | 3.5 | 1 297 | 52 | 4.0 |
| 29 | Internal oversight | 61 | 7 | 11.5 | 30 | 2 | 6.7 | 91 | 9 | 9.9 |
| 33 | Safety and security | 51 | 6 | 11.8 | 885 | 37 | 4.2 | 936 | 43 | 4.6 |
| | **Subtotal** | **4 141** | **269** | **6.5** | **5 511** | **187** | **3.4** | **9 652** | **456** | **4.7** |
| | Income section 3 Services to the public | 14 | 2 | 14.3 | 88 | 10 | 11.4 | 102 | 12 | 11.8 |
| | **Total** | **4 155** | **271** | **6.5** | **5 599** | **197** | **3.5** | **9 754** | **468** | **4.8** |